

Message Text

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ACTION NEA-09

INFO OCT-01 IO-10 ISO-00 SR-02 ORM-01 ABF-01 OMB-01 TRSE-00

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NSC-05 SP-02 /063 W

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P R 051524Z MAY 75

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC PRIORITY 4210

INFO AMEMBASSY AMMAN

AMEMBASSY CAIRO

AMEMBASSY DAMASCUS

AMCONSUL JERUSALEM

AMEMBASSY TEL AVIV

US MISSION USUN NY 2878

C O N F I D E N T I A L BEIRUT 5759

E.O. 11652: GDS

TAGS: SREF XF UNRWA

SUBJECT: UNRWA FUNDING

REF: STATE 102566

SUMMARY: UNRWA COMGEN AND HIS STAFF HAVE BEEN CONCEN-
TRATING THEIR EFFORTS ON PRYING LOOSE ADDITIONAL ARAB FUNDS,
WHILE AT SAME TIME ENGAGING IN CONTINGENCY PLANNING FOR WHAT
IS RAPIDLY BECOMING DIRE NECESSITY TO CUT BACK AGENCY SER-
VICES TO REFUGEES IN VERY NEAR FUTURE. WHILE COMGEN UNQUES-
TIONABLY REALIZES THAT CUTBACK IN AGENCY OPERATIONS WILL BE
DESTABLIZING FACTOR WHICH WILL CONFRONT HOST ARAB GOVTS WITH
NEED TO ASSUME CERTAIN UNRWA OPERATIONS AMONG REFUGEES,
WE DO NOT RPT NOT BELIEVE COMGEN HAS CONSIDERED PROPOSAL
ALONG LINES OF PRIMIN RIFAI'S SUGGESTION. ON BASIS OUR PERSONAL
ACQUAINTANCE WITH THINGING OF COMGEN AND HIS STAFF, WE THINK
THEY LIKELY OPPOSE OPENLY AND STRONGLY GOJ POLICY AIMED AT
ASSUMING FULL RPT FULL UNRWA RESPONSIBILITIES IN JORDAN,
BOTH BECAUSE THIS WOULD BE TANTAMOUNT TO ABDICATION OF AGENCY'S
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UNGA MANDATE AND BECUSE IT WOULD SMACK OF COLLUSION BY

UNRWA IN POLITICAL MOVE TO PREJUDGE "REFUGEE QUESTION" IN MANNER WHICH WOULD TAINT AGENCY. END SUMMARY.

1. COMGEN RENNIE AND UNRWA LEADERSHIP HAVE DEVOTED STRENUOUS EFFORTS TOWARD SEEKING ADDITIONAL CONTRIBUTIONS PRIMARILY, BUT NOT EXCLUSIVELY, FROM WEALTHY ARAB STATES TO MEET SIGNIFICANT BUDGETARY DEFICIT CONFRONTING AGENCY AND PERMIT IT TO CONTINUE CARRYING OUT ITS MANDATE FROM UNGA. RENNIE HIMSELF HAS TRAVELLED TO EUROPE AND KEY ARAB CAPITALS IN HIS QUEST FOR ADDITIONAL FINANCIAL ASSISTANCE AND HAS MAINTAINED CONTINUOUS CONTACT WITH OFFICIALS IN ARAB WORLD AND EUROPE. SENIOR UNRWA OFFICIALS HAVE TOLD EMOFFS ON SEVERAL OCCASIONS THAT THEY WILL NOT RPT NOT APPROACH USG THIS YEAR FOR ADDITIONAL HELP. USG, THEY TOLD US, HAS DONE MORE TO HELP UNRWA THAN ANYONE COULD LEGITIMATELY EXPECT, PARTICULARLY IF ADDITIONAL DOLS 6 MILLION AWAITING PRESIDENTIAL DETERMINATION IS FORTHCOMING.

2. SIMULTANEOUSLY, RENNIE AND HIS STAFF HAVE GRAPPLED ON DAY-TO-DAY BASIS WITH RANGE OF POSSIBLE REDUCTIONS IN AGENCY'S SERVICES WHICH MUST BE IMPLEMENTED IF SUBSTANTIAL ADDITIONAL FUNDS ARE NOT FORTHCOMING. AS WE HAVE REPORTED PREVIOUSLY, COMGEN APPROACHES QUESTION OF CUTBACKS WITH GREAT RELUCTANCE, BUT FEELS STRONGLY THAT HE MUST ADJUST AGENCY'S PROGRAM TO ITS FINANCIAL RESOURCES IN MANNER THAT WILL PRECLUDE UNRWA'S TOTAL COLLAPSE LATER THIS YEAR.

3. COMGEN ACUTELY AWARE OF PROBABLE EFFECTS AGENCY'S REDUCTIONS IN SERVICES WILL HAVE ON INTERNAL STABILITY OF ARAB HOST GOVTS, PARTICULARLY JORDAN AND LEBANON. HE WILL NOT, THEREFORE, IMPLEMENT ANY CUTBACKS BEFORE INFORMING THOSE GOVTS. IF--AS APPEARS INCREASINGLY LIKELY--UNRWA IS FORCED TO REDUCE SERVICES, WE HAVE NO RPT NO DOUBT COMGEN IS AWARE THAT THIS WILL FORCE INDIVIDUAL HOST GOVTS TO CONSIDER HOW THEY MIGHT COME UP WITH RESOURCES TO CARRY ON SOME PORTION OF CURTAILED UNRWA SERVICES. WE ALSO SUSPECT THAT COMGEN BELIEVES THAT HOST GOVTS IN SUCH CIRCUMSTANCES MAY BE MORE SUCCESSFUL THAN EITHER HE OR UNSYG WALDHEIM HAVE BEEN IN EXTRACTING FUNDS FROM OIL-RICH ARAB STATES.

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4. ANY REDUCTIONS IN SERVICES UNDERTAKEN BY UNRWA WILL BE APPLIED ACROSS THE BOARD (I.E., IN LEBANON, SYRIA, JORDAN, WEST BANK, AND GAZA) AND ON STANDARDIZED BASIS CALCULATED BY AGENCY TO MEET MOST PRESSING NEEDS IN EACH AREA OF OPERATIONS WITH SUCH FINANCIAL RESOURCES AS AGENCY DISPOSES. FOR EXAMPLE, UNRWA IS CONVINCED THAT IT MUST CONTINUE TO PROVIDE HEALTH SERVICES (APPROX DOLS 12 MILLION IN CY 75) UNDER ANY CIRCUMSTANCES TO PREVENT EPIDEMICS,

ETC. EXCEPT IN CASES OF EXTREME HARDSHIP, RATIONS WOULD BE CUT OR, IN SOME CASES, ELIMINATED, BUT AGENCY PREFERS, INsofar AS POSSIBLE, TO SALVAGE WHAT IT CAN OF EDUCATION PROGRAM. COMGEN AND HIS STAFF, HOWEVER, REALIZE THAT APPLICATION OF SUCH STANDARDIZED CRITERIA IN ALL FIELDS PROBABLY WILL HAVE VARYING IMPACT FROM COUNTRY TO COUNTRY.

5. COMGEN, WHO EXTREMELY SENSITIVE RE HIS MANDATE FROM UNGA, UNDOUBTELY FORESEES PROSPECT OF INDIVIDUAL ARAB HOST GOVTS TAKING UP SLACK IN SERVICE CREATED BY AGENCY REDUCTIONS. WE BELIEVE, HOWEVER, HE WOULD BE EXTREMELY RELUCTANT TO ACQUIESCE IN ANY SINGLE HOST GOVT'S ATTEMPT TO SUPPLANT UNRWA ENTIRELY, EVEN ON GRADUAL BASIS. RENNIE REGARDS HIMSELF AS CUSTODIAN OF UNRWA FACILITIES AND RESOURCES THROUGHOUT AGENCY'S AREAS OF OPERATIONS AND AS ACCOUNTABLE TO UNGA FOR HIS STEWARDSHIP. FURTHERMORE, ALTHOUGH RECOGNIZING THAT UNRWA CANNOT ENTIRELY AVOID POLITICAL CONSIDERATIONS, COMGEN WOULD WISH TO AVOID ANY HIT OF COLLUSION IN WHAT WOULD BE WIDELY REGARDED AS EFFORT BY GOJ TO USE AGENCY'S FINANCIAL PLIGHT TO PREJUDGE SOLUTION TO "REFUGEE PROBLEM". HE KNOWS, WE BELIEVE, THAT TACIT ACCEPTANCE OF JORDANIAN TACTIC OUTLINED BY PRIMIN RIFAI WOULD BLOT AGENCY'S COPYBOOK NOT ONLY WITH OTHER ARAB GOVTS BUT WITH PALESTINAIN REFUGEES, WHO CONSTITUTE AGENCY'S PRIME CONSTITUENTS. HE CERTAINLY WOULD TAKE ISSUE WITH ANY EFFORT TO PORTRAY PHASED GOJ ASSUMPTION OF AGENCY'S RESPONSIBILITIES AND POLICY OF INTEGRATING REFUGEES EN MASSE (PRIOR TO A POLITICAL SETTLEMENT) INTO JORDANIAN ECONOMY AS RESULT OF "CONTINUING UNRWA RPT UNRWA FAILURE TO MEET ITS DEFICITS. " (PARA 2, REFTEL).

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6. FOREGOING REFLECTS OUR ASSESSMENT OF UNRWA LEADERSHIP'S REACTION TO GOJ PRIMIN RIFAI'S PROPOSAL OUTLINED REFTEL. IT BASED ON OUR CONTINUING CONSULTATIONS WITH UNRWA COMGEN AND HIS STAFF. ALSO, FROM OUR VANTAGE POINT, WE ARE LESS CONFIDENT THAN PRIMIN RIFAI THAT OTHER ARAB GOVTS AND PALESTINIANS WOULD BE PREPARED STAND BY AND WATCH IMPLEMENTATION OF HIS PROPOSED SCHEME. TO EXTENT THAT USG WILLING TO FINANCE SUCH A SCHEME. WE THINK IT WOULD ALSO COME UNDER SEVERE CRITICISAM AND/OR PRESUURE FROM OTHER ARAB GOVTS AND ARAB PUBLIC OPINION IN GENERAL.
GODLEY

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